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Automotive News

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France hires consultants to report on Renault

By Jean-Jacques Renaux
SPECIAL CORRESPONDENT

PARIS — Booz, Allen & Hamilton Inc., a U.S.-based consultant group, has been called in by the French government to conduct a detailed study of Renault, the troubled state-owned automaker.

Last week, the French administration and Booz, Allen's Paris office would not confirm or deny the development, which was leaked to a French economics journal.

Renault would not confirm the report either, but a source at the company's headquarters implicitly admitted it by saying, "We don't even know whether the decision came from the minister of industry, Alain Madelin, or the minister of economy and finance, Edouard Balladur."

The news was reported last week by La Lettre de l'Expansion, a weekly newsletter published by l'Expansion.

According to the journal, the government called in the consultants to provide independent advice on how to deal with the money-losing car group. Booz, Allen conducted a similar study of Chrysler in 1980.

Renault lost the equivalent of about $1.6 billion last year and is expected to report a loss of about $750 million this year. Its debts are estimated at $9 billion.

Madelin, a minister in the recently elected conservative government, has been reluctant to help Renault financially.

After Georges Besse, Renault's president, talked to the press during the recent Paris auto show, Madelin reportedly was not convinced by Besse's optimism about Renault's improvement.

Besse was reluctant to speak about any financial help from the company's shareholder during his meetings with the press. He said, however, that Renault has been undercapitalized for many years.

Besse also said that Renault should become profitable toward the end of next year and thus show a full-year profit in 1988.

"Three years is a short period of time to turn around a group like Renault," said Besse, who has been Renault's chief for 21 months.

"It took more than that at Chrysler and Fiat," he added.

In a separate move, Renault will sell its headquarters on the outskirts of Paris and lease it back.

The company expects to raise $275 million by selling the office complex in Boulogne Billancourt on the southwest edge of Paris and other nearby properties.

Money raised from the sale also could help fund construction of a proposed $135 million headquarters and tech center in the same area.

Chevrolet celebrates 75th birthday
Seventy-five years ago, famed race car driver Louis Chevrolet, above, developed his experimental car, and Chevrolet was formed on Nov. 3, 1911. The car went into production the following year. Three-quarters of a century and 110 million sales later, General Manger Robert Burger shows off a 1987 Camaro ragtop.

U.S. dealership count dips by 270 during model year

By John K. Teahen Jr.
AUTOMOTIVE NEWS STAFF REPORTER

Losses by General Motors, Ford Motor Co. and American Motors-Renault trimmed 270 locations from the domestic dealership total during the 1986 model year, the Automotive News census discloses.

There were 20,444 dealerships handling domestic makes of passenger cars on Oct. 1, compared with 20,714 when the 1986 model year began 12 months earlier. The dip amounted to 1.30 percent.

Chrysler Motors Corp. was immune from the downturn, just as it was in the 1983-85 seasons. Chrysler's dealer total rose by seven during the 1986 campaign. Volkswagen was stable, showing a decline of two outlets.

GM took the biggest fall, down 155 establishments. Ford lost 60 and AMC had a drop of 59. A change of one outlet in the number

see DEALERSHIPS, page 45

GM slices back Saturn schedule

By Michelle Krebs
AUTOMOTIVE NEWS STAFF REPORTER

TROY, Mich. — Saturn Corp. executives finally broke their code of silence and revealed that Saturn will stretch out its $3.5 billion capital spending plan over a longer — and yet unspecified — period of time.

They also said the first phase of the plant will produce only 200,000 cars a year, instead of the originally planned 500,000, and will employ 3,000 people rather than 6,000.

In recent weeks, rumors surfaced that Saturn was scaling back its plans and facing major reductions in its original allocation. The rumors intensified in light of General Motors' $339 million operating loss in the third quarter, its announcement that it would close plants and its apparent acceleration of plans to cut its salaried work force.

At a press briefing last week to set the record straight, Saturn President Richard LeFauve said the original $3.5 billion allocated to Saturn remains intact, but the investment will be spread out over a longer period.

He said Saturn's goal is not to spend every cent of the $3.5 billion by the first day of production. A stretched-out spending plan gives Saturn a chance to produce cars and bring in revenue before spending the rest, he said.

"Our responsibility is to earn on our investment," LeFauve said. "Saturn is trying to minimize the investment and the number of people to accomplish the task.

"The way we're going to be successful is to do more with less," LeFauve added. "We may be criticized because our plant isn't going to be as big as we said it's going to be, but that's success for us."

One way in which the capital spending plan has been stretched

see SATURN, page 49

Toronado, Riviera get incentives

By Michelle Krebs
AUTOMOTIVE NEWS STAFF REPORTER

DETROIT — General Motors' "Big One" — the 2.9 percent finance-rate program — wasn't big enough to clean out all of its 1986 inventory.

Buick Motor Division told dealers on Oct. 24 that they will receive a cash incentive of $300 on the first 1986 Riviera they sell and $500 on each one after that — through the end of the year. Oldsmobile Division is offering an identical program on its 1986 Toronado models.

The dealers will receive the rebate in addition to the normal carryover allowance paid on old models after the new model year begins. It amounts to about 5 percent of the car's sticker price minus some factory charges.

Buick estimates its dealers have 4,000 unsold 1986 Rivieras. That represents about 18 percent of the Rivieras produced in the 1986 model year. Oldsmobile estimates its dealers have 1,200 unsold 1986 Toronados; 28,418 Toronados were produced during the year.

Sales of both fell sharply in the 1986 model year: Riviera 53 percent and Toronado 52 percent.

The new Detroit-Hamtramck plant, which produces Riviera, Toronado and Cadillac Seville and Eldorado, was plagued by production problems and has yet to reach full speed of 60 cars per hour.

GM blamed the production problems on a combination of a new facility, new product, new work force and advanced technology. The plant was shut down for an extended model changeover period.

Riviera and Toronado were converted to front-wheel drive in 1986 and traditional buyers were reluctant to purchase the downsized cars with higher sticker prices than the previous year's models.

Cadillac Motor Car Division said it has no incentive program on leftover 1986 Eldorado and Seville models because the 2.9 percent financing cleared out most of them. It said that as of Oct. 20, stocks of 1986 models included 1,908 Eldorados and 2,458 Sevilles.

Nissan: A long way from its roots

Second of two excerpts from "The Reckoning," copyright 1986 by David Halberstam.

By David Halberstam

It was 1978. Marvin Runyon had pretty much decided to take an early retirement from Ford. Aside from personal considerations — his wife was not happy in Detroit and he wanted to find a job in the South for her sake — he was frustrated by the difficulty of keeping up the plants and with the overall problem of trying to build a good car in America. He was also disturbed by the firing of Lee Iacocca and William Bourke, two of Ford's best product men. He found Philip Caldwell, Iacocca's successor, extremely hard to deal with. Caldwell, he thought, understood the rule book but not the true essence of Ford Motor Co.

Runyon was coming up on 55, which was a good demarcation point, for he could retire with considerable benefits. He began looking for work in the South and soon was considering offers from various supplier companies. As he neared his own appointed date for retirement, Nissan's officials, having decided to open a factory in America, were looking for an American to run it. They learned through headhunters that Runyon, then vice-president in charge of assembly plants, was thinking of leaving Ford and approached him. Runyon let them know he was interested, and newspapers soon reported that Nissan was talking to a high Ford executive. Runyon's superiors knew it was he, and they made their distaste for what he was doing — going over to the enemy at the height of the battle — quite apparent.

Runyon did decide to join Nissan, but he did not leave Ford after 38 years because he was offered a job by a Japanese competitor; he left because of accumulated frustrations and because he was angry over the firing of Iacocca and Bourke. He believed, furthermore, that he was taking a job in an *American* company, one that would provide Americans with jobs, even though its parent company happened to be in Japan.

see 'THE RECKONING,' page 30

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...ugeot has big plans ...r sales in U.S. Page 2
Rolls-Royce seeks to redefine year Page 3
Hong Kong bustling as China takeover nears Page 35

Range Rover names first U.S. dealers

At the opening of Range Rover of North America's headquarters are, from left: Rep. Steny H. Hoyer, D.-Md.; Prince Georges County Executive Parris Glendening; Princess Alexandra; and Charles Hughes, president of the company

LANHAM, Md. — Range Rover of North America Inc. opened its new headquarters here last week and announced the appointment of its first 11 dealers in the United States.

Charles R. Hughes, president of the company, said the opening culminated two years of planning. He said the decision to locate in Lanham was made after studying several East Coast sites.

The 20,000-square-foot facility houses the company's business offices and its service training and technical support personnel. Nearby is an off-road demonstration course.

Attending the opening were Princess Alexandra (first cousin of Queen Elizabeth II), British Ambassador Sir Anthony Acland and Maryland Lt. Gov. J. Joseph Curran.

J. Anthony Gilroy, managing director of Land Rover Ltd., the parent company and manufacturer of Range Rover in the United Kingdom, said he expects the United States to become an important market for the company, but would not predict annual sales volume other than the 3,000 vehicles the company has projected for the first year of operation.

Gilroy announced the first dealers for Range Rover of North America. They are:

Alfred E. Robinson, San Jose British Motors, San Jose, Calif.; Alexander Keeler, Keeler Motor Car Co., Latham, N.Y.; Martin L. Swig, San Francisco Auto Center, San Francisco; Wesley B. Lasher, Wes Lasher Inc., Sacramento, Calif.; Bernard F. Driscoll, Gengras Motor Cars, Hartford, Conn.; and Frank A. Miller, Miller Automobile Corp., Darien, Conn.

Also: Gerald L. Thomas, Thomas Cadillac Inc., Los Angeles; Terry C. York, Terry York Motor Cars Ltd., Encino, Calif.; Joseph T. Dockery, Prestige Motors Inc., Paramus, N.J.; John R. Capps, Plaza Motor Co., St. Louis; and William Gaby, Charles H. Hornburg Jr. Imported Motor Sales, Los Angeles.

The company intends to have 35 dealers nationwide by March 1987 and 65 by 1988.

Secret tapes liven case against six from Ford

By Roger Rowand
AUTOMOTIVE NEWS STAFF REPORTER

DETROIT — Trial of a suit brought by fired Ford Motor Co. engineering vice president Thomas J. Feaheny enters its sixth week today (Nov. 3). Feaheny will undergo more cross-examination by Jerome J. Shapiro, attorney for the six current and former Ford officers Feaheny is suing for some $130 million.

The jury has withstood a numbing drumfire of dates, names, titles, tables of organization, hundreds of pages of documents and hours of videotaped or lawyer-read depositions and low-quality tape recordings made surreptitiously by Feaheny.

The most dramatic evidence heard has been the secret tapes. They were offered by Feaheny's attorney, but the jury heard Feaheny making what some Ford executives thought were extortion or blackmail threats. He said he might testify for the opposition in Ford product-liability cases.

On Nov. 11, 1982, Feaheny met for lunch at Julio's in the Hyatt Regency in Dearborn with Herbert L. Misch, now retired but then vice president of Ford's environmental and safety engineering staff. That was a day after Feaheny had laid down demands covering his pending separation from the company.

He had said in that day-earlier meeting in Ford headquarters, when a mutually satisfactory separation still appeared possible, that he wanted $5 million in cash and might become an expert witness for anyone willing to pay $250 an hour and do some writing and public speaking.

A tape recording showed that Misch had expressed his astonishment at the situation then. The next day at Julio's he said (also on tape), "I'm a little bit at loose ends on it but, I've got to tell you — and maybe it's because I've got a little bit of a pea-brain and don't look at things as expansively as other people. And maybe I look too much to, and prize too much, the professional integrity and reputation that one should continue to strive for.

"But I think you've got to come up with something that doesn't look like blackmail to the company, that's all there is to it. You can say what you damn please, but the bottom line would be blackmail," Misch said.

Feaheny was vice president for vehicle research when he left Ford. He is trying to show that the defendants conspired to interfere with his employment relationship with Ford and to shorten his career. He was fired in 1983 shortly after bringing suit.

Defendants are Philip Caldwell, retired Ford chairman; Ford President Harold A. Poling; Louis R. Ross, executive vice president for Ford North American Automotive Operations; John McDougall, retired executive vice president for International Automotive Operations; Harold C. MacDonald, retired vice president for engineering and research; and Peter J. Sherry, retired vice president for personnel and organization.

In the tapes, Feaheny acknowledged that a $5 million lump sum paid to him might attract the attention of the Securities and Exchange Commission or stockholders.

He said the matter could be handled with personal checks from "certain executives, or, as far as I'm concerned, it's an out-of-court settlement on a personal injury suit not filed."

"For that matter, my mother and dad are deceased. The Ford family can adopt me and give me some Class B shares. I don't care," he said.

see FEAHENY, page 45

Rolls seeks a 'double' model year

By Helen Kahn
AUTOMOTIVE NEWS STAFF REPORTER

WASHINGTON — Rolls-Royce Motors Ltd. has asked NHTSA to change its definition of model years used during the phase-in period of the passive-restraint standard. The company wants more leadtime to install a driver's side air bag in its cars.

Rolls-Royce said it prefers air bags to passive belts but, because of the supplier situation, it needs more development time than its larger-volume competitors.

As a result, Rolls-Royce has asked NHTSA to combine the 1987 and 1988 model years and allow the company to install fewer passive restraints than mandated during the beginning of the period in return for exceeding the requirements by the end of the period.

The passive-restraint standard requires automakers to phase in passive systems — 10 percent for 1987 models, 25 percent for 1988 models, 40 percent for 1989 models and 100 percent for 1990 models, with model year designations beginning Sept. 1 and ending the following Aug. 31. The standard applies to both front-seat positions.

Compliance percentages are tallied at the end of the model year, so many makers have delayed the introduction of passive restraints. That also gives manufacturers like Rolls time to petition for changes to enable it to go to bags or comply within the current mandated time-frame using passive belts.

Rolls said that if NHTSA will change the model-year definition to run from Sept. 1, 1986, to Aug. 31, 1988 — in effect, combining the 1987 and 1988 model years — Rolls should be able to have the driver air bag fitted to "around 70 percent of the cars we market in America, well in excess of the 25 percent and 40 percent fitment requirements for the 1988 and 1989 production period specified" in the passive-restraint standard.

The company intends to use air bags on four-door sedans, but if not allowed flexibility on model years, it will use passive belts on only the minimum percentage required.

Rolls-Royce said the petition to combine model years was prompted by other changes NHTSA has made in the standard.

Among them was the granting of Ford's request in August 1985 to allow its Tempo-Topaz system, which is driver-side passive with an air bag and passenger-side active with a belt (essentially half passive and half active), to count toward the standard.

INDEX

Auction reports	34-35, 44
Classifieds	36-44
Coming events	24
News briefs	8
Obituaries	45
Opinion	10
Personnel	22
Production	50
Truck industry	14-15

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Suzuki charts sales boom, maybe U.S. plant

By Jesse Snyder
AUTOMOTIVE NEWS STAFF REPORTER

Suzuki of America President Toshiyuki Arai dreams of building cars in the United States — and his vision may be focusing on one of several plants that General Motors plans to close.

Arai said plans that would turn his dream into reality have not yet been approved by parent Suzuki Motors Ltd., of Japan.

His ambitious five-year plan to top 300,000 sales annually by 1991 hasn't been cleared in Japan, either. But it appears to call for a U.S. assembly plant to supplement supply from a GM-Suzuki facility being built in Ingersoll, Ontario. GM owns 5.3 percent of Japan's Suzuki Motors.

"My dream is to build cars in the United States," Arai said last week in Detroit. Annual volume of 120,000 units must be assured before a U.S. facility would be practical, he said.

Arai would prefer an existing plant if the price is low, but he is prepared to go with a "clean-sheet plan" if necessary. He would consider one of up to six GM plants slated to be phased out — if the price is low enough.

That is partly because of GM's share in Suzuki and the Japanese small-car specialist's role as a supplier of the Chevrolet Sprint.

A GM spokesman said GM's long-standing policy is that manufacturers should build in the country they market in. "This is a positive position on Suzuki's part," the spokesman said.

U.S. production may appear premature for the Brea, Calif., company that entered the market 12 months ago with the $6,895 Samurai four-wheel-drive sport-utility vehicle.

But with a dealer network mostly in Western states, Suzuki of America sold 37,000 vehicles in the year ended Oct. 31, more than the more-publicized Yugo.

"We're right on track on developing our dealer network and well ahead of projections on sales," said Doug Mazza, vice president for sales and marketing.

Suzuki of America's five-year plan sets ambitious sales goals, fueled by new models.

Samurai sales are running at an annual rate of 50,000 and Suzuki expects to sell its supply of 76,000 for the 1988 model year, Mazza said.

The Ingersoll plant is due to open in July 1988, with expected first-year production of 200,000 1989 units — about 120,000 Sprint-sized cars and 80,000 small sport-utility units. The latter will have a wider track and longer wheelbase than the Samurai.

GM in Canada and the United States and Suzuki's Canadian and U.S. operations will split production, with Suzuki of America getting 17.5 percent of output, or 35,000 units. GM will get most of the cars, which will be 1989 replacements for the Chevy Sprint, but Suzuki of America will have a slightly different version to sell as its first car.

At the same time, Chevrolet will have its own version of the sport-utility vehicle, identical except for equipment. Suzuki is aiming at a price of just under $10,000 for its model.

The new models and continued imports of Samurai at the same level are projected to push 1989-model-year sales to 110,000, Mazza said.

For the 1990 model year, Suzuki expects to introduce its first exclusive model, a small car in two-door and four-door versions.

That will be followed in 1991 with a Suzuki-exclusive small sports car. It will be aimed at the segment "vacated by the upscaling of the Mazda RX-7," Mazza said.

Suzuki of America expects the two exclusives to push its sales to 250,000 for the 1990 model year and 305,000 for the 1991 model year.

Where the last two models will come from is uncertain, Mazza said. But between them, Suzuki is counting on a volume surge of almost 200,000 units.

Options include a U.S. plant, an increase in imports from Japan, expanded production or a bigger share of output in Canada or both and sourcing from Suzuki plants outside Japan.

Arai and Mazza said they hoped for relief from Japan's voluntary export quotas, but they said they share the opinion of industry analysts that such restrictions will not end or ease much in the near future.

Suzuki has small-volume, joint-venture assembly operations in several countries. All essentially assemble complete-knockdown kits, and the ability to export to the United States from those countries less expensively than from Japan is problematical.

The five-year plan has two constants.

"We will always stick to small, high-performance unique vehicles that fill niches where nobody else is," Arai said. That draws on the small-engine technology which Suzuki developed as a motorcycle manufacturer.

Second, Suzuki's plan depends on developing a dealer network that is closely regulated and profitable, Mazza said.

Suzuki dealers — in Georgia, Florida and nine Western states — are averaging 57 units a month, ahead of Suzuki's projected rate of 37 a month, Mazza said.

Thirty new dealerships opened in October in nine Eastern states. Chicago and nearby Midwest markets will have dealers by year's end, Mazza said. The five-year plan calls for 250 dealers by 1991 and 49-state representation by the end of 1987, Mazza said.

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Nissan Sentra 1987	Invoice + 700
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Nissan Pulsar 1986	Invoice + 200
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Toyota Celica	Invoice + 2000
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Ford dealers at other sites bid on cars in TV auction

By Arthur Flax
AUTOMOTIVE NEWS STAFF REPORTER

Ford Motor Co. recently tested a closed-circuit television system to auction used vehicles.

Ford broadcast a live auction held at Aptco Auto Auction, Taylor, Mich., to dealers in Milwaukee and Louisville.

Twenty-four dealers participated in the video auction which was held in conference rooms at Ford's Kentucky Truck Plant and at the district sales office in Milwaukee. About 85 dealers attended the live auction.

General Motors also has conducted experiments using electronic media to auction vehicles. In the GM experiments, dealers were provided with pictures of autos and made their bids through a computer network.

Claude Scoggins, Ford fleet sales disposal manager, said, "We were trying to see if we could conduct a live auction and have outlying dealers participate simultaneously."

He said the dealers in Milwaukee and Louisville received the audio and video broadcast of the live auction via satellite and relayed their bids to the auction by telephone.

Scoggins said, "There is a delay in the transmission of audio, so we tried to overcome that with telephone bids. We had a 'ring man' at the remote site transmit the bids by phone."

He said the auction was a success and dealers in the remote areas bought about 40 of the 200 cars auctioned in Taylor.

Television auctions could expand the services of the auction industry, Scoggins said. He said technology that would allow auction companies to broadcast to individual dealers is available. Dealers, he said, would not have to travel to buy top-quality cars.

He said, "We're testing this technology for Ford and Lincoln-Mercury dealers to see if it is possible. It is up to the auction companies to take it and run with it."

Dealers watched the auction on four monitors in each location. Vehicle condition was displayed on the monitors. Also, there was a cameraman on each side of the cars auctioned. In addition, the participants had data sheets explaining the condition of the cars.

Dealers must be convinced that cars in a television auction are in top condition, a Ford official said.

Scoggins said that all vehicles Ford auctions are reconditioned. The vehicles in the television auction were no older than two years.

Scoggins said the dealers participating in the television auction appeared enthusiastic, but that is something Ford must evaluate.

He said, "Do you get more enthusiastic watching the World Series on television or in person? This is something we have to look at."

Ford is planning another television auction. The next test will involve four to six locations with 25 to 50 dealers at each location, Scoggins said.

AUCTION DATES

American Motors

Nov. 4 — Aptco Auto Auction, Taylor, Mich., and D-A Auto Auction, New Stanton, Pa.

Nov. 5 — Minneapolis Auto Auction, Plymouth, Minn., and Metro Milwaukee Auto Auction, Caledonia, Wis.

Nov. 6 — Todd Auto Auction, Telford, Pa.; Evansville Auto Auction, Evansville, Ind.; and Northway Exchange Auto Auction, Clifton Park, N.Y.

Nov. 11 — High Point Auto Auction, High Point, N.C.

Ford Motor Co.

Nov. 5 — Concord Auto Auction, Acton, Mass., and Golden Gate Auto Auction, Fremont, Calif.

Nov. 6 — Atlanta Auto Auction, Red Oak, Ga.; Arena Auto Auction, Chicago; Dallas Auto Auction, Dallas; and Southwest Auto Auction, Phoenix, Ariz.

Chrysler Corp.

Nov. 4 — Arena Auto Auction, Chicago; Golden Gate Auto Auction, Fremont, Calif.; and Florida Auto Auction of Orlando, Ocoee, Fla.

Nov. 5 — Columbus Fair Auto Auction, Obetz, Ohio; Southern Auto Auction, Warehouse Point, Conn.; Southwest Auto Auction, Phoenix, Ariz.; and South Seattle Auto Auction, Kent, Wash.

Nov. 6 — Fredericksburg Auto Auction, Fredericksburg, Va.

Nov. 7 — Floyd Hauhe Auto Auction, Bridgeton, Mo.

General Motors

Nov. 4 — Dallas Auto Auction, Dallas

Nov. 5 — Hatfield Auto Auction, Hatfield, Pa., and Omaha Auto Auction, Omaha, Neb.

Nov. 6 — Aptco Auto Auction, Taylor, Mich., and Floyd Hauhe Auto Auction, Bridgeton, Mo.

Nov. 11 — Denver Auto Auction, Englewood, Colo.; 166 Auto Auction, Springfield, Mo.; Florida Auto Auction of Orlando, Ocoee, Fla.; and South Seattle Auto Auction, Kent, Wash.

Used Car Sales
Auction Averages

October, 1986	$5,196
Month ago	$5,206
Year ago	$4,759

Model Breakdown
Auction Averages

	OCT 1986	SEP 1986	AUG 1986
1986	$11,574	$11,846	$12,136
1985	$8,414	$8,472	$8,520
1984	$6,215	$6,221	$6,242
1983	$5,442	$5,459	$5,502
1982	$4,216	$4,261	$4,337
1981	$3,277	$3,333	$3,388
1980	$2,424	$2,463	$2,505
1979	$2,088	$2,109	$2,145
Overall Average	$5,196	$5,206	$5,237

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Nissan eyes sales peak of 880,000

By Jesse Snyder
AUTOMOTIVE NEWS STAFF REPORTER

SAN DIEGO — Nissan Motor Corp. in U.S.A. is counting on new, restyled and redesigned products to boost 1987 sales despite a strong yen and a cooling U.S. market.

Nissan will post its best year ever in the 1987 model year with 880,000 sales — 610,000 cars and 270,000 light trucks, Senior Vice President C.P. King predicted.

In the 1986 model year, Nissan sold a record 561,000 cars and 220,000 trucks.

King forecast industry sales of 10.7 million cars and 4.3 million trucks for the 1987 model year. That total of 15 million would be down from 1986's 15.8 million.

Three models to be introduced late this year will expand Nissan's market representation into segments covering 66 percent of all car sales and half of light truck sales, King said.

They are a facelifted 300-ZX, an all-new Pulsar NX and Nissan's first van in December.

Pulsar: minus T-roof and removable hatch, it's almost a convertible

The new Pulsar NX will be an image leader. Like the new Hardbody truck, the Pathfinder van and the updated 300-ZX, the work originated in the Nissan Design Center in San Diego.

The new Pulsar is longer, wider and lower, but the biggest changes are in the back half of the car.

A 2+2 design intended to be used as a two-seater, the Pulsar has as standard equipment a steel T-roof and a contrasting-color rear hatch that is removable.

With the hatch off and roof panels out, the car functions like a convertible while retaining a steel roll cage.

Nissan will test-market a squared-off replacement hatch called the Sportbak next spring. Interchangeable with the standard Pulsar hatch, it looks and functions like a station wagon.

Tentative prices are $10,500 for the Pulsar XE and $11,500 for the SE package. Volume is projected at 60,000 a year, up from 48,000 for the old Pulsar.

The new van, based on the Japanese home-market Largo, is a virtual clone of the Toyota van. King projects 24,000 to 36,000 first-year sales.

Feds strengthen case in long DeLorean trial

By Edward Lapham
AUTOMOTIVE NEWS STAFF REPORTER

The government's case against former automaker John Z. DeLorean slowly but surely picked up steam last week.

After a shaky start the previous week, prosecution witnesses testified to point after point that seemed to support the government's case against DeLorean.

DeLorean, 61, is charged with 15 counts of fraud and racketeering relating to the disappearance of $17.65 million from his defunct sports-car project. He pleaded innocent to all charges.

The testimony was slow, often technical and sometimes tedious.

The week began with testimony from two FBI agents concerning the verification of DeLorean's handwriting on several key documents entered into evidence.

They were followed on the witness stand by Robert M. Dewey, former DMC chief financial officer. Dewey testified about the early fund-raising days of the DeLorean sport-car venture and particularly events surrounding the DeLorean Research Limited Partnership, which raised $12.5 million of the missing money.

After Dewey testified, the government played videotaped depositions of European witnesses. Three people — C. Shaun Harte, a former goverment official who later worked for the DeLorean Belfast company; Ronald Henderson, a former British government official; and Robin J. Bailie, a Belfast lawyer who represented the Belfast company and the government — testified that they knew nothing of the secret dealings of GPD Services Inc., the Swiss-based Panamanian company to which the missing money was paid.

Also testifying were three officials from Lotus. Chief Engineer Colin Spooner testified that much of the DMC development work performed by Lotus was not completed until 1980.

Company secretary Thomas Monk testified that he was directed to take a sealed envelope to DeLorean in New York and then carry a $4 million check to GPD in Geneva. Financial officer Warren King testified that of the $22 million Lotus was paid for the DeLorean work, only $137,000 came from GPD.

The only consistent point the defense managed to make on cross-examination was that the witnesses all believed the late Colin Chapman, Lotus and GPD were "one and the same."

However, Walter F. Strycker, former chief financial officer of DMC, testified on Friday that his only source of information about the Chapman-Lotus-GPD connection was "John DeLorean" and DMC general counsel Thomas Wando Kimmerly.

By week's end, the demeanor of defendant DeLorean and his attorneys changed. Midway through Thursday's session, defense attorney Juanita Brooks, unable to shake the tesimony of a government witness, began implying the government had acted improperly.

And during a Friday break, DeLorean loudly berated a reporter for his coverage of the trial. DeLorean told the reporter that the odds in Las Vegas are "five to one" that he'll be acquitted.

FEAHENY

FROM PAGE 3

Feaheny's lawyer, James F. Schouman, has said his client's remarks about wanting $5 million had been made in response to pressure.

Feaheny said, "It was not blackmail at all. There was no blackmail in it. It was compensation to me and my family for damages done to us."

Attorney Shapiro has attempted to show that what has been called Feaheny's abrasive quickness to criticize others, particularly his superiors, emerged as early as 1970 with a letter to then Ford President Lee A. Iacocca. Feaheny, however, has said his career began to unravel after defendant Ross arrived at NAAO in the fall of 1979.

One letter sought by the defendants during discovery was not in the 14 boxes of papers Feaheny said he took from his office at Ford when he was suspended after filing suit in mid-1983. He said he took those documents to his Bloomfield Hills, Mich., home in his wife's station wagon and soon had them stored in a Pontiac Township, Mich., locker owned by the Phoenix detective agency.

He called those papers "my personal documents in my view acquired as part of my work." Among them was a 76-page, 10-year product-cycle plan covering Ford North American Automotive Operations vehicles through the 1992 model year.

DEALERSHIPS

FROM PAGE 1

of intercorporate duals brought the industry's net falloff to 270.

It was the poorest showing since the 1982 model year when 1,267 dealerships faded away. That was the final year of the recession, and the situation was to improve considerably.

Only 80 domestic dealerships left the field in the 1983 model year, and the following season was indeed wondrous with a gain of 46. The 1985 model year resulted in a decline of 149 outlets; the latest dip of 270 was almost twice as severe.

All figures in this article and in the accompanying tables signify the net change in dealer totals, both for the individual corporations and car lines and for the domestic industry as a whole.

There was no overriding reason for the latest decline. Domestic sales held up pretty well. They topped eight million, although they were down about 4 percent from the 1985 model year. There was no monstrous rise in floorplan rates.

Import competition doubtless played a part, but that is mitigated somewhat by the fact that some 60 percent of domestic dealers also handle a foreign line.

Nevertheless, many dealers decided it was time to bail out.

Franchise totals rose for five of the 14 makes in the domestic census. Dodge, up 21, made the biggest advance, and there were lesser gains for Plymouth, Chrysler, Lincoln and Cadillac.

The two largest dealer organizations posted the largest losses. Chevrolet was down 90 for the 1986 model year, and Ford was off 67. Also reporting dips were AMC, Renault, Oldsmobile, Pontiac, Buick, Mercury and Volkswagen.

Chrysler Motors' gain of seven dealerships was its fourth consecutive model-year upswing. The company added 32 outlets in the 1985 model year, 164 in 1984 and 169 in 1983.

In addition to its 4,001 car dealerships, Chrysler Motors has three that handle only Dodge trucks. They are not included in the corporation's car dealership total or in the Dodge car franchise total.

Ford Motor's loss of 60 outlets compared with a dip of only three in the 1985 model year. Ford posted a gain of 80 in the 1984 season and showed no change in 1983.

Ford Motor has 112 dealerships that handle only Ford heavy-duty trucks. They are not included in the company's car dealer total of 5,471 or in the Ford Division car franchise total of 4,627.

GM's dip of 155 outlets was greater than its declines of 110 in the 1985 model year and 75 in 1984, but it was less than the drop of 170 in the 1983 campaign.

GM's car dealership total is 9,720. Adding in the GMC Truck outlets that do not handle any of the corporation's car lines, the count is 10,280.

The AMC-Renault dip of 59 outlets was about the same as the drop of 53 in the 1985 model year. About 90 percent of the 1,356 AMC-Renault outlets handle both lines. There are 719 AMC-Renault duals with Big Three makes.

VW's decline of two outlets was less than in recent model years. The drop was 19 in 1985, 14 in 1984 and 39 in 1983. VW has about 170 duals with AMC-Renault and Big Three makes.

In the third quarter of this year, the domestic dealer total showed a decline of 127 outlets. For the first nine months, the dip was 229.

U.S. CAR OUTLETS

	Oct. 1, 1986	Oct. 1, 1985
American Motors-Renault	1,356	1,415
Chrysler Corp.	4,001	3,994
Ford Motor Co.	5,471	5,531
General Motors	9,720	9,875
Volkswagen	875	877
TOTALS	21,423	21,692
Minus Intercorporate Duals	979	978
NET OUTLETS	20,444	20,714

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U.S. FRANCHISES

	Oct. 1, 1986	Oct. 1, 1985
AMC-RENAULT		
AMC	1,316	1,360
Renault	1,265	1,307
CHRYSLER CORP.		
Chrysler	3,046	3,037
Dodge	2,934	2,913
Plymouth	3,013	2,997
FORD MOTOR CO.		
Ford	4,627	4,694
Lincoln	1,614	1,598
Mercury	2,751	2,754
GENERAL MOTORS		
Buick	2,945	2,955
Cadillac	1,615	1,610
Chevrolet	4,985	5,075
Oldsmobile	3,175	3,200
Pontiac	2,985	3,000
VOLKSWAGEN	875	877

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OBITUARIES

S. Edmund Steeves

DETROIT — S. Edmund Steeves, 69, a former General Motors public relations executive, died Oct. 23 while visiting Lincoln, Neb. Mr. Steeves retired in 1976 as director of field operations for the GM public relations staff.

Robert Brenner

GAITHERSBURG, Md. — Robert Brenner, 64, an auto safety expert who helped establish and enforce federal safety standards for automobiles, died Oct. 24. Dr. Brenner was president of the Institute for Safety Analysis Inc., a research and consulting firm in Rockville, Md. From 1970 to 1973, he was the Department of Transportation's chief scientist. During the 1960s, he was acting director of the National Highway Safety Bureau, predecessor of NHTSA.

Fred J. Brenkman

MORTON, Ill. — Fred J. Brenkman, 59, president of Brenkman Oldsmobile-Cadillac Co., Pekin, Ill., and Brenkman Chrysler-Plymouth-Dodge, Morton, Ill., died Sept. 26.

George F. Parr Jr.

CORPUS CHRISTI, Texas — George F. Parr Jr., 65, founder of Parr Chrysler-Plymouth Inc. here, died Oct. 2.

James Stephen

DAYTONA BEACH, Fla. — James Stephen, 67, a retired Pontiac dealer, died Oct. 26. Mr. Stephen's dealerships were in Daytona Beach and Baltimore.

CORRECTIONS

A story in the Oct. 27 issue of Automotive News incorrectly said that Lloyd E. Reuss, General Motors executive vice president, told last summer's Automotive News World Congress that GM would close six assembly plants by 1990. In his speech, Reuss said GM would close three assembly plants by 1990.

Also in last week's issue, many of the optional gasoline engines for GM light trucks, included in the "U.S. 1987-model light-duty truck specs" table on Page E46 were listed as having carburetors.

For 1987, all GM light-truck engines in trucks up to 10,000 pounds GVW (all those listed) use electronic fuel injection. Also, listings for the Chevrolet/GMC R-10/1500 pickup truck and G-10/1500 van did not include the optional 5.7-liter (350-cid) V-8 gasoline engine.

In addition, the 4.8-liter (292-cid) engine listed as an option for the R-20/2500 pickup truck has been dropped.

In the Oct. 13 issue, imported-car sales figures for the 1986 model year under the Chrysler nameplates were incorrect.

The correct figures are: Dodge Conquest/Vista, 20,107; Plymouth Colt, 49,259; and Plymouth Conquest/Vista, 18,822.

The import total is 3,129,610 and the industry total is 11,188,428.

PRODUCTION

Car production continues to climb; week up 5.67%

By Kathy Barbaglia
AUTOMOTIVE NEWS STAFF REPORTER

U.S. automakers scheduled production of 175,483 cars last week, 5.67 percent more than the previous week's 166,069 and 1.53 percent more than the year-ago week's 172,835.

In each of the last two weeks, production has been the highest since the week ended June 28.

Last week's targeted production was shared as follows: General Motors, 53.73 percent; Ford Motor Co., 21.64 percent; Chrysler Motors, 15.33 percent; Honda of America Manufacturing Inc., 4.17 percent; New United Motor Manufacturing Inc., 2.34 percent; Nissan Motor Manufacturing Co., U.S.A., 1.65 percent; and Volkswagen of America, 1.14 percent.

American Motors' Kenosha, Wis., plant was idle last week for inventory adjustment. The plant is expected to resume output today (Nov. 3).

The number of indefinite layoffs at GM increased by 1,500 to 20,500. The layoffs affected several GM plants.

GM did not schedule overtime at any of its car plants last Saturday (Nov. 1).

Daily overtime is slated this week at all Ford plants except the Dearborn, Mich., and Lorain, Ohio, facilities.

Chrysler's Sterling Heights, Mich., plant was scheduled for overtime last Saturday. Daily overtime is slated this week at five Chrysler plants. They are: Belvidere, Ill.; Detroit (Jefferson Avenue); Newark, Del.; St. Louis (No. 2); and Sterling Heights, Mich.

Truck output jumps 10%

Domestic truck production totaled 69,952 units last week, 10 percent more than the previous week's 63,591 and slightly (0.5 percent) above the year-ago week's 69,602.

Ford Motor Co.'s Norfolk, Va., and Twin Cities, Minn., plants were to resume production today (Nov. 3). Both plants had been idle since Oct. 20 for model changeover.

General Motors slated Saturday (Nov. 1) overtime at its Flint, Mich. (No. 1), and Baltimore plants.

Saturday overtime was scheduled at Ford's Louisville, Ky., plant. That plant and Ford's Lorain, Ohio, and St. Louis plants are slated for daily overtime this week.

Chrysler Motors' Warren, Mich., plant was scheduled for overtime Saturday. Warren is also slated for daily overtime this week.

Canadian output up 1.8%

Last week's targeted Canadian auto production of 25,700 was 1.84 percent more than the previous week's 25,235 and 4.59 percent more than the year-ago week's 24,573.

So far this year, 875,831 cars have been assembled, 1.56 percent below the 889,694 completed last year at this point.

Truckmakers scheduled production of 10,634 units last week, 5.96 percent below the previous week's 11,308. Downtime at Ford's Ontario truck plant in Oakville reduced production each week; the plant is scheduled to resume work today (Nov. 3).

Last week's output was 40.31 percent below the year-ago week's 17,814.

Year-to-date, 675,578 trucks have been built, 3.27 percent below the 698,436 assembled last year at this time.

CANADIAN CAR	Week Ended Nov. 1, 1986	Week Ended Nov. 2, 1985	Week Ended Oct. 25, 1986	Oct. Est.	Jan. 1 to Nov. 2, 1985	Jan. 1 to Nov. 1, 1986
AMERICAN MOTORS	150	369	124	550	9,745	3,591
FORD MOTOR	11,645	10,240	11,219	47,265	409,681	437,408
GENERAL MOTORS	13,680	13,739	13,667	59,279	461,945	426,492
VOLVO	225	225	225	990	8,323	8,340
Total Cars, Canada	25,700	24,573	25,235	108,084	889,694	875,831

U.S. TRUCK☆	Week Ended Nov. 1, 1986	Week Ended Nov. 2, 1985	Week Ended Oct. 25, 1986	Oct. Est.	Jan. 1 to Nov. 2, 1985	Jan. 1 to Nov. 1, 1986
CHEVROLET	24,263	18,204	23,166	107,848	988,505	998,805
DODGE	5,500	4,606	4,934	24,161	176,195	110,431
FORD	22,225	28,310	17,886	106,279	1,000,114	1,164,725
GMC	7,919	6,858	7,781	35,306	302,156	304,043
NAVISTAR	1,615	1,482	1,409	7,227	62,843	60,514
JEEP	4,350	5,593	4,332	20,236	191,284	158,462
NISSAN	1,730	2,499	1,733	7,877	91,888	94,412
AM GENERAL*	50	50	50	230	2,130	2,124
MISCELLANEOUS*	2,300	2,000	2,300	10,580	78,953	96,692
Total Trucks, U.S.	69,952	69,602	63,591	319,744	2,894,068	2,990,208

CANADIAN TRUCK	Week Ended Nov. 1, 1986	Week Ended Nov. 2, 1985	Week Ended Oct. 25, 1986	Oct. Est.	Jan. 1 to Nov. 2, 1985	Jan. 1 to Nov. 1, 1986
AMERICAN MOTORS	650	0	694	2,928	0	23,890
CHRYSLER	8,952	7,889	8,949	37,555	320,265	335,309
FORD	0	3,562	0	7,653	135,381	127,789
GENERAL MOTORS	832	6,162	1,469	4,710	233,298	180,713
NAVISTAR	200	201	196	877	9,492	7,877
Total Trucks, Canada	10,634	17,814	11,308	53,723	698,436	675,578
N. American Trucks	80,586	87,416	74,899	373,467	3,592,504	3,665,786

—Includes window van production. *—Estimated
Jeep includes commercial only. AM General includes government-destined vehicles.
Miscellaneous includes estimates for Mack, Volvo-White, Kenworth, Peterbilt, Freightliner, Mercedes-Benz, etc.
Monthly estimates may contain error of one or two units due to rounding.

U.S. CAR	Week Ended Nov. 1, 1986	Week Ended Nov. 2, 1985	Week Ended Oct. 25, 1986	Oct. Est.	Jan. 1 to Nov. 2, 1985	Jan. 1 to Nov. 1, 1986
AMERICAN MOTORS	0	2,584	1,500	3,867	95,685	43,842
Renault Total	0	2,584	1,500	3,867	95,685	43,842
Alliance	0	1,848	1,500	3,867	61,862	40,495
Encore	0	736	0	0	33,823	3,347
CHRYSLER MOTORS	26,900	25,353	27,345	122,646	1,051,582	1,106,513
Plymouth Total	9,400	7,040	9,568	44,349	304,714	350,098
Horizon	3,900	2,532	3,971	17,554	116,783	145,409
Sundance	2,100	0	1,924	7,518	0	21,140
Reliant	2,200	3,256	2,340	12,748	134,831	129,400
Caravelle	700	926	724	4,019	39,234	37,521
Gran Fury	500	326	609	2,510	13,866	16,628
Chrysler Total	6,500	8,996	6,559	30,055	342,097	329,468
Laser	0	997	0	0	43,456	26,978
LeBaron	1,300	2,245	1,045	5,135	75,287	73,771
LeBaron GTS	800	2,427	759	4,263	80,041	55,129
New Yorker/E-Class	1,200	1,115	1,274	5,782	53,666	61,445
Fifth Avenue	3,200	2,212	3,481	14,875	92,647	112,145
Dodge Total	11,000	9,317	11,218	48,242	400,771	426,947
Daytona	0	1,010	0	0	39,226	30,343
Omni	3,000	2,414	3,492	15,124	113,113	137,939
Shadow	2,000	0	1,883	7,499	0	19,921
Aries	3,800	2,209	3,344	14,714	112,115	105,486
Dodge 600	1,000	1,564	1,239	4,469	54,095	56,135
Lancer	600	1,585	597	3,192	54,891	41,979
Diplomat	600	535	663	3,245	28,331	35,144
FORD MOTOR	37,977	35,590	36,638	156,552	1,384,804	1,465,370
Ford Division	25,773	24,861	26,549	108,909	930,333	1,007,917
Escort	8,816	7,842	9,773	38,678	285,420	317,282
EXP	0	0	0	0	3,838	0
Mustang	2,431	4,191	1,818	5,697	154,224	150,076
Tempo	4,118	4,585	4,190	18,738	155,795	164,548
LTD	0	4,381	0	0	177,332	0
Taurus	7,756	507	8,772	39,784	1,443	265,528
Thunderbird	2,651	3,355	1,996	6,013	145,159	110,483
Crown Victoria	0	0	0	0	7,122	0
L-M Division	12,204	10,729	10,089	47,642	454,471	457,453
Mercury Total	8,151	7,039	5,376	27,673	319,056	307,169
Lynx	634	1,445	953	3,896	60,774	50,869
Capri	0	380	0	0	15,925	12,344
Topaz	1,339	1,241	1,314	5,922	47,492	48,852
Cougar	3,516	2,671	0	3,516	106,596	90,467
Marquis	0	969	0	0	82,364	0
Sable	2,662	333	3,109	14,339	1,170	104,637
Grand Marquis	0	0	0	0	4,733	0
Lincoln Total	4,053	3,690	4,713	19,969	135,415	150,284
Continental	406	515	473	1,998	21,407	16,380
Lincoln	3,041	2,768	3,532	14,974	99,039	112,716
Mark VII	606	407	708	2,997	14,969	21,208
GENERAL MOTORS	94,292	101,110	84,396	385,428	4,075,759	3,487,353
Buick Total	18,832	21,226	12,688	70,113	849,415	648,555
Skyhawk	1,860	2,113	1,724	8,267	89,025	71,252
Century	3,870	7,909	3,607	15,846	242,673	189,352
Regal	1,893	2,672	1,722	4,667	115,712	50,318
Skylark (X-car)	0	0	0	0	40,953	0
Somerset/Skylark	2,312	2,659	2,211	10,492	105,538	92,857
LeSabre (fwd)	5,113	847	0	17,757	3,411	132,391
LeSabre/Electra(rwd)	334	861	329	1,430	93,362	12,842
Electra(fwd)	2,426	3,955	2,411	9,178	112,600	77,713
Riviera	1,024	210	684	2,478	46,141	21,830
Cadillac Total	6,810	5,700	6,238	27,386	278,655	266,719
Cimarron	385	635	0	987	22,180	19,704
Cadillac (rwd)	1,200	835	1,205	5,264	33,630	66,857
DeVille (fwd)	4,015	3,820	3,760	17,248	144,371	140,986
Eldorado	730	231	690	2,179	51,300	20,539
Seville	480	179	583	1,708	27,174	18,633
Chevrolet Total	33,873	33,084	29,210	133,322	1,368,932	1,100,532
Chevette	2,671	2,939	2,421	11,593	133,698	86,760
Camaro	3,325	5,040	3,282	15,131	177,963	150,516
Cavalier	9,493	9,223	5,514	34,394	415,357	335,545
Celebrity	8,465	4,258	8,482	33,445	223,443	216,003
Citation	0	0	0	0	28,699	0
Corsica/Beretta	1,008	0	943	3,506	0	4,244
Monte Carlo	2,670	2,683	2,358	7,726	118,105	95,491
Chevrolet	5,601	7,939	5,559	24,600	230,647	187,927
Corvette	640	1,002	651	2,926	38,895	24,146
Oldsmobile Total	16,960	23,010	16,990	69,168	996,708	807,295
Firenza	1,000	1,196	1,091	4,694	52,874	33,278
Calais	2,715	3,197	2,890	12,362	126,333	100,199
Cutlass Ciera	4,137	7,456	4,140	18,200	299,620	202,578
Cutlass Supreme	1,627	5,560	1,539	5,175	197,859	97,102
88 (fwd)	3,324	1,765	3,353	12,537	6,977	246,050
88 (rwd)	480	650	480	2,057	163,680	16,293
Olds 98	3,077	3,037	3,001	12,498	121,546	96,242
Toronado	600	149	496	1,644	27,819	15,553
Pontiac Total	17,817	18,090	19,270	85,439	582,049	664,152
Acadian**	0	883	598	1,536	12,442	13,797
Fiero	1,760	2,441	1,778	8,048	98,654	58,064
1000	649	1,445	932	3,808	27,598	16,658
Firebird	2,125	2,523	2,180	9,675	94,747	91,271
2000 Sunbird	2,224	2,791	1,864	10,553	119,027	114,995
Grand Am	5,066	3,738	5,680	26,621	113,696	192,324
6000	2,668	1,499	2,789	11,106	45,184	113,048
Bonneville	3,000	0	3,022	12,691	0	16,393
Parisienne	325	2,770	427	1,401	70,701	47,602
HONDA	7,315	2,710	7,061	30,385	122,137	186,686
Civic	1,755	0	1,546	6,662	0	9,246
Accord	5,560	2,710	5,515	23,722	122,137	177,440
NISSAN	2,899	1,520	2,914	12,533	30,461	42,047
NUMMI	4,100	1,900	4,219	16,119	44,839	164,007
Corolla	1,100	0	1,145	2,531	0	2,465
Nova*	3,000	1,900	3,074	13,588	44,839	161,542
VOLKSWAGEN	2,000	2,068	1,996	9,068	79,945	70,496
Golf/GTI	2,000	2,068	1,996	9,068	79,945	70,496
Total Cars, U.S.	175,483	172,835	166,069	736,548	6,885,212	8,566,314
Total Cars, Canada	25,700	24,573	25,235	108,084	889,694	875,831
N. American Cars	201,183	197,408	191,304	844,732	7,774,906	7,442,145
N. American Trucks	80,586	87,416	74,899	373,467	3,592,504	3,665,788
North American Cars and Trucks	281,769	284,824	266,203	1,218,199	11,367,410	11,107,931

*—Revised estimate. **—All Acadians are built for sale in Canada.
Monthly estimates may contain error of one or two units due to rounding.

Parts talks with Japan resume; U.S. is hopeful

By Geoff Sundstrom
AUTOMOTIVE NEWS STAFF REPORTER

WASHINGTON — "Cautious optimism" is the phrase being used to describe the present state of U.S.-Japanese auto parts trade negotiations.

Concluding two days of meetings here with Japanese trade officials, Commerce Department spokesmen and U.S. industry officials used the same inscrutable language in characterizing the sessions.

The meetings, called MOSS (Market Oriented Sector Specific) talks, were instituted by the Reagan administration as a means of settling industry-by-industry trade disputes with the Japanese government.

The administration is seeking commitments from the Japanese to increase purchases of U.S. auto parts for use on vehicles both here and abroad. Since the Japanese ended most formal restrictions on auto parts imports in 1980, the negotiations have tended to focus on loosening the tight manufacturer-supplier relationships between Japanese automakers and parts makers.

Deviating from the official script, one negotiating team member said of the Japanese, "They didn't give a lot. They are tough negotiators."

The Washington session will be followed by a third series of meetings in Tokyo on Dec. 8. The negotiations, which may consist of as many as eight meetings, are expected to be completed by early September. The first meeting was held in Tokyo in August.

The Automotive Parts and Accessories Association said U.S. parts exports to Japan totaled $191 million in 1985, compared with Japanese shipments to the United States of $5.2 billion, including shipments to U.S. Foreign Trade Zones. That resulted in a U.S. trade deficit of $5 billion, APAA said.

Taurus, Sable in Ford recall

DEARBORN, Mich. — Ford Motor Co. is recalling 1,230 1987-model Ford Taurus and Mercury Sable models due to faulty steering and rear suspension components.

Ford said it is recalling 600 of those cars to inspect and replace, if necessary, a part of the intermediate steering shaft assembly that connects the steering column to the steering gear. The company suspects three Taurus-Sable units have a faulty steering column part that could cause separation of the steering shaft, resulting in loss of control without warning.

Ford also is recalling 630 Taurus and Sable models because of what it called a poorly made rear suspension part.

A company spokesman said 344 rear suspension components had been "inadequately strengthened" and could break under heavy force, causing a loss of control.

The two actions bring to seven the number of recalls on Taurus and Sable models.